

Message Text

SECRET

PAGE 01 MANILA 04723 01 OF 02 240923Z
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
-----117248 240924Z /10

O 240826Z MAR 78
FM AMEMBASSY MANILA
TO SECSTATE WASHDC IMMEDIATE 3411
INFO SECDEF WASHDC
JCS
CINCPAC
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CINCPACREPPHIL
13TH AF CLARK AB
CINCPACFLT PEARL HARBOR HI

S E C R E T SECTION 1 OF 2 MANILA 4723

EXDIS

MILITARY ADDRESSEES HANDLE AS SPECAT EXCLUSIVE

E.O. 11652: GDS
TAGS: MARR, RP
SUBJECT: PHILIPPINE BASE NEGOTIATIONS

REF: STATE 75549

1. SUMMARY: PRESIDENT MARCOS APPEARS TO DESIRE TO REACH AGREEMENT ON SOVEREIGNTY ISSUE PRIOR TO MY DEPARTURE. WHILE ACCEPTING LIMITATIONS ON FORM AND LEVEL OF COMPENSATION, HE STILL FEELS ANNUAL APPROPRIATIONS (AND LEVEL) REPRESENT MAJOR OBSTACLE. CONVERSATION FURTHER REINFORCED OUR VIEW THAT MARCOS DOES NOT WHOLLY ENDORSE AID MEMOIRE OF MARCH 21 BUT HE IS NOT QUITE CERTAIN HOW TO DEAL WITH PANEL OF ADVISORS. MARCOS WILL MEET PRIVATELY WITH HIS ADVISORS MONDAY; I WILL MEET WITH MARCOS ON TUESDAY. END SUMMARY

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2. AT CONCLUSION OF FAREWELL COURTESY CALL ON PRESIDENT AND MRS. MARCOS MARCH 24, I SAID I WAS DISAPPOINTED THAT DURING MY TIME IN MANILA I HAD NOT BEEN ABLE TO COMPLETE WORK ON BASE DISCUSSIONS SO ABLY BEGUN BY MRS. MARCOS LAST OCTOBER. MRS. MARCOS DEMURRED BUT SAID THIS OBVIOUSLY IMPORTANT MATTER AND LEFT PRESIDENT AND ME FOR 20-MINUTE DISCUSSION OF ISSUE.

3. IN CONVEYED BASIC POINTS OF REFTEL EMPHASIZING DEEP DISAPPOINTMENT AT PHILIPPINE RESPONSE GIVEN MAJOR EFFORT MADE BY U.S. TO MEET PHILIPPINE DESIRES. I SAID QUESTION HAD NOW ARISEN WHETHER GOP REALLY DESIRED AGREEMENT OR WHETHER IT BEST TO REMAIN WITH STATUS QUO. AGREEMENT OBVIOUSLY IMPORTANT TO GOOD U.S. - PHILIPPINE RELATIONS.

4. AFTER I HAD MADE POINTS IN REFTEL, PRESIDENT SAID HE HAD ONLY SEEN AIDE MEMOIRE ON MORNING OF OUR LAST TALK AND HAD HAD TO TALK HIS ADVISORS OUT OF "TOTAL REJECTION" OF U.S. PROPOSALS (PRESUMABLE OF COMPENSATION). HE SAID HE WOULD BE MEETING WITH HIS PANEL OF ADVISORS AGAIN ON MARCH 27 AND WISHED TO MEET WITH ME ONCE MORE BEFORE MY DEPARTURE. HE SUGGESTED TENTATIVELY MEETING ON TUESDAY, MARCH 28.

5. HE SAID HE WOULD LIKE TO REACH AGREEMENT ON SOVEREIGNTY ISSUE. COMPENSATION MAY BE MORE COMPLICATED AND PERHAPS WOULD HAVE TO WAIT.

6. ON SUBIC BAY, I HAD STRESSED TO HIM CRITICAL QUESTION OF U.S. CONTROL OVER WATERS. RECOGNIZING THAT PHILIPPINE AUTHORITIES WITH BEST WILL IN THE WORLD MIGHT NOT BE ABLE TO CONTROL INFILTRATION AND ENCROACHMENT WHICH WOULD MAKE NAVAL OPERATIONS IMPOSSIBLE, U.S. FNSISTED ON CONTROL OF
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WATERS BETWEEN GRANDE ISLAND AND SHORE. MARCOS SAID HE UNDERSTOOD THIS POINT AND ASKED WHETHER THERE WAS NOT SOME FORMULA BY WHICH U.S. COULD ACKNOWLEDGE PHILIPPINE SOVEREIGNTY BUT STILL RETAIN CONTROL. I SAID WE WOULD WELCOME SUGGESTIONS BUT THAT GENUINE CONTROL OF THESE WATERS WAS ESSENTIAL TO CONTINUED OPERATIONS OF BASE.

7. ON BASE COMMANDER, I HAD EMPHASIZED THAT AIDE MEMOIRE CREATED CONCERN BECAUSE AMONG OTHER CHANGES IT DROPPED CONCEPT OF JOINT DIRECTIVES AND ADMINISTRATION. IT WAS ESSENTIAL IF THERE WAS TO BE SMOOTH OPERATION THAT U.S. FACILITIES COMMANDER HAVE A VOICE IN ALL ADMINISTRATION OF THE BASE WHICH WOULD IMPACT UPON U.S. FORCES AND THEIR ACCESS TO FACILITIES. HE SAID HE THOUGHT THAT COULD BE WORKED OUT.

8. MARCOS SAID THAT ON SUBIC WATERSHED HE HOPED THAT THE FORMULA OF FOREST RESERVE WOULD BE ACCEPTABLE. I SAID THAT THIS WATERSHED WAS LIFE AND DEATH MATTER FOR BASE AND THAT WHATEVER ARRANGEMENTS WAS AGREED UPON HAD TO GUARANTEE THAT FIRM ACTION WOULD BE TAKEN AGAINST ALL ENCROACHMENT. HISTORY OF AREA AROUND SUBIC WATERSHED HAD

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FM AMEMBASSY MANILA
TO SECSTATE WASHDC IMMEDIATE 3412
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JCS
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S E C R E T SECTION 2 OF 2 MANILA 4723

EXDIS

MILITARY ADDRESSEES HANDLE AS SPECAT EXCLUSIVE

NOT GIVEN AMERICANS CONFIDENCE THAT WITHOUT AMERICAN
CONTROL PHILIPPINE AUTHORITIES WOULD BE ABLE TO WITHSTAND
PRESSURES FROM FARMERS AND OTHERS. AGAIN MARCOS SAID HE
UNDERSTOOD BUT THAT SOME FORMULA ACKNOWLEDGING SOVEREIGNTY
WAS ESSENTIAL.

9. WHILE WALLACE WAS NOT MENTIONED, I TOOK OCCASION TO
SAY THAT IN HIS DISCUSSION WITH PANEL I HOPED HE WOULD
APPRECIATE THAT WITHOUT CLEAR AMERICAN RESPONSIBILITY FOR
THE OPERATION AND MAINTENANCE OF EQUIPMENT AT WALLACE THIS
COULD NOT BE A VIABLE INSTALLATION FOR EITHER OF US.

10. ON COMPENSATION I STRESSED THAT THERE WAS NO ALTERN-
TIVE TO ANNUAL CONGRESSIONA REVIEW. HE SAID HE UNDER-
STOOD THIS BUT THAT THIS WAS EXTREMELY DIFFICULT ISSUE.
ROMULO IN PARTICULAR FELT STRONGLY ABOUT IT. I POINTED
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OUT THAT LETTER WE HAD DESCRIBED WOULD BE FULL FAITH STATEMENT BY ADMINISTRATION AND THAT LIKELIHOOD WAS THAT AFTER FIRST YEAR APPROPRIATION CONGRESSIONAL PROBLEMS WOULD BE MANAGEABLE UNLESS THERE WAS SOME MAJOR CHANGE IN U.S. - PHILIPPINE RELATIONS. HE SAID THAT HE HAD POINTED OUT TO PANEL THAT IF U.S. FAILED TO COME THROUGH WITH ANNUAL APPROPRIATION, PHILIPPINES WAS NATURALLY IN POSITION TO REOPEN BASE QUESTION EVEN IF IT WAS NOT SPECIFICALLY STATED. HE SAID HE ACCEPTED THE GENERAL FORM OF COMPENSATION BUT PHILIPPINE COUNTER-PROPOSAL MIGHT SUGGEST DIFFERENT AMOUNT. HE THEN DIGRESSED TO DISCUSS THEIR HEIGHTENED CONCERN OVER VIETNAMESE INTENTIONS WHICH HAD BEEN REINFORCED BY STRONG ANTI-VIETNAMESE STATEMENTS DURING RECENT VISIT OF CHINESE VICE PREMIER. I STRESSED THAT THERE WERE ALSO LIMITATIONS IN WHAT WE COULD DO ON FUNDING ALTHOUGH SOME MINOR ADJUSTMENTS MIGHT BE POSSIBLE. I STRESSED AGAIN THAT FIGURE WAS NOT FAR FROM THAT DISCUSSED IN 1976.

11. ON CRIMINAL JURISDICTION, HE ASKED FOR MORE INFORMATION ON OUR JAPANESE FORMULA. HE UNDERSTOOD THERE WAS A PUBLIC STATEMENT GIVING JAPAN SOVEREIGNTY BUT THERE IS A SIDE LETTER GIVING U.S. AUTHORITY OVER DUTY CASES. (SEE SEPTTEL).

12. ON MILITARY EQUIPMENT PACKAGE, I POINTED OUT THAT WE HAD GIVEN PHILIPPINE GOVERNMENT THE OPPORTUNITY TO SUGGEST ADDITIONS OR SUBSTITUTIONS. THE WAY WAS OPEN FOR FURTHER DISCUSSION.

13. COMMENT: MARCOS HAS CLEARLY RAISED PROSPECT ONCE MORE OF AGREEMENT ON SOVEREIGNTY ISSUE APART FROM COMPENSATION. I HAVE STRESSED TO HIM THAT BEST WAY TO REACH SUCH AGREEMENT IS BY DISCUSSION OF ISSUES BETWEEN THE TWO OF US. ANY

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REVERSION TO PANELS WOULD BE RETROGRESSION. HE AGREES.

14. SUBJECT TO INSTRUCTIONS, I WILL TAKE FOLLOWING POSITIONS IN DISCUSSION WITH MARCOS ON TUESDAY:

A) WE HAVE MADE OUR VIEWS CLEAR ON NEED FOR US CONTROL OVER SUBIC WATERS AND SEE LITTLE PROSPECT FOR ALTERNATIVE FORMULA BUT ARE PREPARED TO EXAMINE ANY PHILIPPINE SUGGESTION THAT ACCEPTS THIS ESSENTIAL NEED FOR US CONTROL;

B) ON WATERSHED, WE WOULD ACCEPT FOREST RESERVE UNDER JOINT ADMINISTRATION IN WHICH US CONTINUED AUTHORITY OVER ENCROACHMENT;

C) IN ABSENCE OF AGREEMENT ON COMPENSATION, WE WOULD
BE PREPARED TO AGREE TO COMPREHENSIVE AMENDMENTS
ESTABLISHING PHILIPPINE SOVEREIGNTY WHICH INCLUDED
PRINCIPLE ACCEPTED BY MARCOS OF INTEGRITY OF US COMMAND.
(IF WE SET ASIDE THE COMPENSATION QUESTION IN THIS
MANNER, ARE WE LIKELY TO INCUR PROBLEMS WITH CONGRESS
WHEN WE FINALLY HAVE TO EXPLAIN AND OBTAIN APPROPRIATIONS
FOR A SEPARATE X "BEST EFFORT" LETTER?)
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Message Attributes

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